

FIRST REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 497**  
**98TH GENERAL ASSEMBLY**

2194H.02C

D. ADAM CRUMBLISS, Chief Clerk

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**AN ACT**

To repeal sections 67.950, 67.955, 221.407, 393.015, and 644.145, RSMo, and to enact in lieu thereof six new sections relating to special purpose districts.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Sections 67.950, 67.955, 221.407, 393.015, and 644.145, RSMo, are repealed  
2 and six new sections enacted in lieu thereof, to be known as sections 67.950, 67.955, 221.407,  
3 393.015, 644.145, and 1, to read as follows:

67.950. **1.** Any special purpose district formed under the provisions of a statute of this  
2 state requiring approval by the voters of the district, and for which no specific procedure is  
3 provided to terminate or dissolve such a district, may be dissolved [in the following manner:

4 (1) Upon the filing with the governing body of the district of a petition containing the  
5 signatures of eight percent or more of the voters of the district or upon the motion of a majority  
6 of the members of the governing body it shall submit the question to the voters in the district  
7 using the same procedure and in the same manner so far as practicable as is provided for the  
8 submission of the question for forming the district.

9 (2)] **as provided in this section and section 67.955.**

10 **2. A petition describing the boundaries of the district sought to be dissolved shall**  
11 **be filed with the clerk of the circuit court of the county in which the subject district is**  
12 **located or, if the subject district embraces lands in more than one county, with the clerk**  
13 **of the circuit court of the county having the largest acreage within the boundaries of the**  
14 **subject district. Such petition, in addition to such boundary description, shall allege that**  
15 **further operation of the subject district is inimical to the best interests of the inhabitants**  
16 **of the district and that the district should, in the interest of the public welfare and safety,**  
17 **be dissolved, and such other information as may be useful to the court in determining**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 whether the petition should be granted and a decree of dissolution entered. Such petition  
19 shall also include a detailed plan for payment of all debt and obligations of the district at  
20 the time of dissolution. Such petition shall be accompanied by a cash deposit of fifty  
21 dollars as an advancement of the costs of the proceeding, and the petition shall be signed  
22 by eight percent or more of the voters of the district. The petition shall be verified by at  
23 least one of the signers thereof and shall be served upon the governing board of the district.  
24 The district shall be a party, and if the governing board in its discretion determines that  
25 such dissolution is not in the public interest, the district shall oppose such petition and pay  
26 all cost and expense thereof.

27       3. Upon the filing of the petition, the petition shall be presented to the circuit court  
28 and such court shall fix a date for a hearing on such petition. The clerk of the court shall  
29 give notice of the filing of the petition in some newspaper of general circulation in the  
30 county in which the proceedings are pending, and if the district extends into any other  
31 county or counties, such notice shall also be published in some newspaper of general  
32 circulation in such other county or counties. The notice shall contain a description of the  
33 subject boundary lines of the district and the general purposes of the petition, and shall set  
34 forth the date fixed for the hearing on the petition, which shall not be less than seven nor  
35 more than twenty-one days after the date of the last publication of the notice and shall be  
36 on some regular judicial day of the court in which the petition is pending. Such notice shall  
37 be signed by the clerk of the circuit court and shall be published in three successive issues  
38 of a weekly newspaper or in twenty successive issues of a daily newspaper.

39       4. The court, for good cause shown, may continue the case or the hearing thereon  
40 from time to time until final disposition thereof.

41       5. Exceptions to the dissolution of a district may be made by any voter or  
42 landowner of the district, and by the district as provided in this section. Such exceptions  
43 shall be filed not less than five days prior to the date set for the hearing on the petition.  
44 Such exceptions shall specify the grounds upon which the exceptions are filed, and the  
45 court shall take them into consideration in passing upon the petition and shall also consider  
46 the evidence in support of the petition and in support of the exceptions made. Unless  
47 petitioners prove that all debts and financial obligations of the district, including all costs  
48 relating to the conduct of the election as provided under subsection 6 of this section, can  
49 be paid in full upon dissolution, the petition shall be dismissed at the cost of the petitioners.

50       6. Should the court find that it would not be to the public interest to dissolve a  
51 district, the petition shall be dismissed at the costs of the petitioners. If, however, the court  
52 should find in favor of the petitioners, the court shall enter its interlocutory decree of  
53 dissolution, which decree shall provide for the submission of the question to the voters of

54 **the district. The decree of dissolution shall not become final and conclusive until it has**  
55 **been submitted to the voters residing within the boundaries described in such decree and**  
56 **approved by a majority of the votes cast. The decree shall provide for the submission of**  
57 **the question and shall fix the date thereof. The decree shall further provide that the**  
58 **question is deemed submitted to the voters by the special district, which shall be**  
59 **responsible for all costs relating to the conduct of the election in accordance with section**  
60 **115.077. The costs shall be deemed debts and financial obligations of the district.**

61 7. The question shall be submitted in substantially the following form:

62 Shall the ..... district be dissolved?

63 [(3) If the question receives a majority of the votes cast the district shall be dissolved for  
64 all purposes except the payment of outstanding bonded indebtedness, if any]

65 **8. The returns shall be certified by the election authority to the circuit court having**  
66 **jurisdiction in the case. Upon receiving such certification, the court shall enter its order**  
67 **canvassing the returns and declaring the result of such election. If a majority of the votes**  
68 **cast on the question by the qualified voters voting thereon are in favor of the question, then**  
69 **the court shall, in such order declaring the result of the election, enter a further order**  
70 **declaring the decree of dissolution to be final and conclusive. If a majority of the votes cast**  
71 **on the question by the qualified voters voting thereon are opposed to the question, then the**  
72 **court shall enter a further order declaring such decree of dissolution to be void and of no**  
73 **effect. No appeal shall lie from any of such orders. In the event that the court declares the**  
74 **decree of dissolution to be final as provided in this subsection, the clerk of the circuit court**  
75 **shall file certified copies of such decree of dissolution and of such final order with the**  
76 **secretary of state, the recorder of deeds of the county or counties in which the district is**  
77 **located, and with the clerk of the county commission of the county or counties in which the**  
78 **district is located.**

79 **9. Notwithstanding any other provision of law in this section to the contrary, no**  
80 **district shall be dissolved until all of its outstanding indebtedness has been paid, and the**  
81 **court in its decree of dissolution shall provide for the disposition of the remaining property**  
82 **of the district.**

67.955. **Subject to any decree of dissolution entered under section 67.950, the**  
2 governing body, upon passage of a proposition to dissolve, shall dispose of all assets of the  
3 district and apply all proceeds to the payment of all indebtedness of the district and if any funds  
4 are left after such liquidation they shall be paid to the taxpayers of the district. Such payments  
5 shall be computed on the ratio of each taxpayer's tax paid in to the total tax collected for the last  
6 taxable year for which the district collected taxes. The liquidation, payments and refunds shall  
7 be completed within one hundred twenty days after the date of the submission of the question,

8 and the district shall cease to exist; except that if general obligation bonded indebtedness exists  
9 the district shall continue to exist solely for the purpose of levying and collecting taxes to pay  
10 such indebtedness.

221.407. 1. The commission of any regional jail district may impose, by order, a sales  
2 tax in the amount of one-eighth of one percent, one-fourth of one percent, three-eighths of one  
3 percent, or one-half of one percent on all retail sales made in such region which are subject to  
4 taxation pursuant to the provisions of sections 144.010 to 144.525 for the purpose of providing  
5 jail services and court facilities and equipment for such region. The tax authorized by this  
6 section shall be in addition to any and all other sales taxes allowed by law, except that no order  
7 imposing a sales tax pursuant to this section shall be effective unless the commission submits  
8 to the voters of the district, on any election date authorized in chapter 115, a proposal to  
9 authorize the commission to impose a tax.

10 2. The ballot of submission shall contain, but need not be limited to, the following  
11 language:

12 Shall the regional jail district of ..... (counties' names) impose a region-wide  
13 sales tax of ..... (insert amount) for the purpose of providing jail services and court  
14 facilities and equipment for the region?

15  YES  NO

16  
17 If you are in favor of the question, place an "X" in the box opposite "Yes". If you are opposed  
18 to the question, place an "X" in the box opposite "No".

19  
20 If a majority of the votes cast on the proposal by the qualified voters of the district voting thereon  
21 are in favor of the proposal, then the order and any amendment to such order shall be in effect  
22 on the first day of the second quarter immediately following the election approving the proposal.  
23 If the proposal receives less than the required majority, the commission shall have no power to  
24 impose the sales tax authorized pursuant to this section unless and until the commission shall  
25 again have submitted another proposal to authorize the commission to impose the sales tax  
26 authorized by this section and such proposal is approved by the required majority of the qualified  
27 voters of the district voting on such proposal; however, in no event shall a proposal pursuant to  
28 this section be submitted to the voters sooner than twelve months from the date of the last  
29 submission of a proposal pursuant to this section.

30 3. All revenue received by a district from the tax authorized pursuant to this section shall  
31 be deposited in a special trust fund and shall be used solely for providing jail services and court  
32 facilities and equipment for such district for so long as the tax shall remain in effect.

33           4. Once the tax authorized by this section is abolished or terminated by any means, all  
34 funds remaining in the special trust fund shall be used solely for providing jail services and court  
35 facilities and equipment for the district. Any funds in such special trust fund which are not  
36 needed for current expenditures may be invested by the commission in accordance with  
37 applicable laws relating to the investment of other county funds.

38           5. All sales taxes collected by the director of revenue pursuant to this section on behalf  
39 of any district, less one percent for cost of collection which shall be deposited in the state's  
40 general revenue fund after payment of premiums for surety bonds as provided in section 32.087,  
41 shall be deposited in a special trust fund, which is hereby created, to be known as the "Regional  
42 Jail District Sales Tax Trust Fund". The moneys in the regional jail district sales tax trust fund  
43 shall not be deemed to be state funds and shall not be commingled with any funds of the state.  
44 The director of revenue shall keep accurate records of the amount of money in the trust fund  
45 which was collected in each district imposing a sales tax pursuant to this section, and the records  
46 shall be open to the inspection of officers of each member county and the public. Not later than  
47 the tenth day of each month the director of revenue shall distribute all moneys deposited in the  
48 trust fund during the preceding month to the district which levied the tax. Such funds shall be  
49 deposited with the treasurer of each such district, and all expenditures of funds arising from the  
50 regional jail district sales tax trust fund shall be paid pursuant to an appropriation adopted by the  
51 commission and shall be approved by the commission. Expenditures may be made from the fund  
52 for any function authorized in the order adopted by the commission submitting the regional jail  
53 district tax to the voters.

54           6. The director of revenue may [authorize the state treasurer to] make refunds from the  
55 amounts in the trust fund and credited to any district for erroneous payments and overpayments  
56 made, and may redeem dishonored checks and drafts deposited to the credit of such districts.  
57 If any district abolishes the tax, the commission shall notify the director of revenue of the action  
58 at least ninety days prior to the effective date of the repeal, and the director of revenue may order  
59 retention in the trust fund, for a period of one year, of two percent of the amount collected after  
60 receipt of such notice to cover possible refunds or overpayment of the tax and to redeem  
61 dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed  
62 after the effective date of abolition of the tax in such district, the director of revenue shall remit  
63 the balance in the account to the district and close the account of that district. The director of  
64 revenue shall notify each district in each instance of any amount refunded or any check redeemed  
65 from receipts due the district.

66           7. Except as provided in this section, all provisions of sections 32.085 and 32.087 shall  
67 apply to the tax imposed pursuant to this section.

68           8. The provisions of this section shall expire September 30, [2015] **2027**.

393.015. 1. Notwithstanding any other provision of law to the contrary, any sewer corporation, municipality or sewer district established under the provisions of chapter 249 or 250, or sections 204.250 to 204.470, or any sewer district created and organized pursuant to constitutional authority, may contract with any water corporation, **any municipality providing water, or any water districts established under chapter 247, which for purposes of this section shall collectively be designated as a water provider**, to terminate water services to any customer premises for nonpayment of a sewer bill. No such termination of water service may occur until thirty days after the sewer corporation, municipality or statutory sewer district or sewer district created and organized pursuant to constitutional authority sends a written notice to the customer, except that if the water [corporation] **provider** is performing a combined water and sewer billing service for the sewer corporation, municipality or sewer district, no additional notice or any additional waiting period shall be required other than the notice and waiting period already used by the water [corporation] **provider** to disconnect water service for nonpayment of the water bill. Acting pursuant to a contract, the water [corporation] **provider** shall discontinue water service until such time as the sewer charges and all related costs of termination and reestablishment of sewer and water services are paid by the customer.

2. A water [corporation] **provider** acting pursuant to a contract with a sewer corporation, municipality or sewer district as provided in subsection 1 of this section shall not be liable for damages related to termination of water services unless such damage is caused by the negligence of such water [corporation] **provider**, in which case the water [corporation] **provider** shall be indemnified by the sewer corporation, municipality or sewer district. Unless otherwise specified in the contract, all costs related to the termination and reestablishment of services by the water [corporation] **provider** shall be reimbursed by the sewer corporation, municipality, sewer district or sewer district created and organized pursuant to constitutional authority.

644.145. 1. When issuing permits under this chapter that incorporate a new requirement for discharges from publicly owned combined or separate sanitary or storm sewer systems or **water or sewer** treatment works, or when enforcing provisions of this chapter or the Federal Water Pollution Control Act, 33 U.S.C. Section 1251, et seq., pertaining to any portion of a publicly owned combined or separate sanitary or storm sewer system or **water or sewer** treatment works, the department of natural resources shall make a finding of affordability on the costs to be incurred and the impact of any rate changes on ratepayers upon which to base such permits and decisions, to the extent allowable under this chapter and the Federal Water Pollution Control Act.

2. (1) The department of natural resources shall not be required under this section to make a finding of affordability when:

(a) Issuing collection system extension permits;

13 (b) Issuing National Pollution Discharge Elimination System operating permit renewals  
14 which include no new environmental requirements; or

15 (c) The permit applicant certifies that the applicable requirements are affordable to  
16 implement or otherwise waives the requirement for an affordability finding; however, at no time  
17 shall the department require that any applicant certify, as a condition to approving any permit,  
18 administrative or civil action, that a requirement, condition, or penalty is affordable.

19 (2) The exceptions provided under paragraph (c) of subdivision (1) of this subsection do  
20 not apply when the community being served has less than three thousand three hundred residents.

21 3. When used in this chapter and in standards, rules and regulations promulgated  
22 pursuant to this chapter, the following words and phrases mean:

23 (1) "Affordability", with respect to payment of a utility bill, a measure of whether an  
24 individual customer or household with an income equal to [the] **or** lower [of] **than** the median  
25 household income for their community [or the state of Missouri] can pay the bill without undue  
26 hardship or unreasonable sacrifice in the essential lifestyle or spending patterns of the individual  
27 or household, taking into consideration the criteria described in subsection 4 of this section;

28 (2) "Financial capability", the financial capability of a community to make investments  
29 necessary to make water quality-related improvements;

30 (3) "Finding of affordability", a department statement as to whether an individual or a  
31 household receiving as income an amount equal to [the] **or** lower [of] **than** the median  
32 household income for the applicant community [or the state of Missouri] would be required to  
33 make unreasonable sacrifices in [their] **the individual's or the household's** essential lifestyle  
34 or spending patterns or undergo hardships in order to make the projected monthly payments for  
35 sewer services. The department shall make a statement that the proposed changes meet the  
36 definition of affordable, or fail to meet the definition of affordable, or are implemented as a  
37 federal mandate regardless of affordability.

38 4. The department of natural resources shall adopt procedures by which it will make  
39 affordability findings that evaluate the affordability of permit requirements and enforcement  
40 actions described in subsection 1 of this section, and may begin implementing such procedures  
41 prior to promulgating implementing regulations. The commission shall have the authority to  
42 promulgate rules to implement this section pursuant to chapters 536 and 644, and shall  
43 promulgate such rules as soon as practicable. Affordability findings shall be based upon  
44 reasonably verifiable data and shall include an assessment of affordability with respect to persons  
45 or entities affected. The department shall offer the permittee an opportunity to review a draft  
46 affordability finding, and the permittee may suggest changes and provide additional supporting  
47 information, subject to subsection 6 of this section. The finding shall be based upon the  
48 following criteria:

- 49 (1) A community's financial capability and ability to raise or secure necessary funding;  
50 (2) Affordability of pollution control options for the individuals or households at or  
51 below the median household income level of the community;
- 52 (3) An evaluation of the overall costs and environmental benefits of the control  
53 technologies;
- 54 (4) Inclusion of ongoing costs of operating and maintaining the existing wastewater  
55 collection and treatment system, including payments on outstanding debts for wastewater  
56 collection and treatment systems when calculating projected rates;
- 57 (5) An inclusion of ways to reduce economic impacts on distressed populations in the  
58 community, including but not limited to low- and fixed-income populations. This requirement  
59 includes but is not limited to:
- 60 (a) Allowing adequate time in implementation schedules to mitigate potential adverse  
61 impacts on distressed populations resulting from the costs of the improvements and taking into  
62 consideration local community economic considerations; and
- 63 (b) Allowing for reasonable accommodations for regulated entities when inflexible  
64 standards and fines would impose a disproportionate financial hardship in light of the  
65 environmental benefits to be gained;
- 66 (6) An assessment of other community investments and operating costs relating to  
67 environmental improvements and public health protection;
- 68 (7) An assessment of factors set forth in the United States Environmental Protection  
69 Agency's guidance, including but not limited to the "Combined Sewer Overflow Guidance for  
70 Financial Capability Assessment and Schedule Development" that may ease the cost burdens of  
71 implementing wet weather control plans, including but not limited to small system  
72 considerations, the attainability of water quality standards, and the development of wet weather  
73 standards; and
- 74 (8) An assessment of any other relevant local community economic condition.
- 75 5. Prescriptive formulas and measures used in determining financial capability,  
76 affordability, and thresholds for expenditure, such as median household income, should not be  
77 considered to be the only indicator of a community's ability to implement control technology and  
78 shall be viewed in the context of other economic conditions rather than as a threshold to be  
79 achieved.
- 80 6. Reasonable time spent preparing draft affordability findings, allowing permittees to  
81 review draft affordability findings or draft permits, or revising draft affordability findings, shall  
82 be allowed in addition to the department's deadlines for making permitting decisions pursuant  
83 to section 644.051.

84           7. If the department of natural resources fails to make a finding of affordability where  
85 required by this section, then the resulting permit or decision shall be null, void and  
86 unenforceable.

87           8. The department of natural resources' findings under this section may be appealed to  
88 the commission pursuant to subsection 6 of section 644.051.

89           9. The department shall file an annual report by the beginning of the fiscal year with the  
90 governor, the speaker of the house of representatives, the president pro tempore of the senate,  
91 and the chairs of the committees in both houses having primary jurisdiction over natural resource  
92 issues showing at least the following information on the findings of affordability completed in  
93 the previous calendar year:

94           (1) The total number of findings of affordability issued by the department, those  
95 categorized as affordable, those categorized as not meeting the definition of affordable, and those  
96 implemented as a federal mandate regardless of affordability;

97           (2) The average increase in sewer rates both in dollars and percentage for all findings  
98 found to be affordable;

99           (3) The average increase in sewer rates as a percentage of median house income in the  
100 communities for those findings determined to be affordable and a separate calculation of average  
101 increases in sewer rates for those found not to meet the definition of affordable;

102           (4) A list of all the permit holders receiving findings, and for each permittee the  
103 following data taken from the finding of affordability shall be listed:

104           (a) Current and projected monthly residential sewer rates in dollars;

105           (b) Projected monthly residential sewer rates as a percentage of median [house]  
106 **household** income;

107           (c) Percentage of households at or below the state poverty rate.

**Section 1. In any election for the board of directors of a community improvement  
2 district as established in sections 67.1401 to 67.1571, no person shall cast more than one  
3 ballot.**

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